

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

RECEIVED

NOV 1 1995

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)
Toll Free Service Access Codes) CC Docket No. 95-155

DOCKET FILE COPY ORIGINAL

NYNEX COMMENTS

NYNEX Telephone Companies

William J. Balcerski

1111 Westchester Avenue
White Plains, NY 10604
(914) 644-6207

Their Attorney

No. of Copies rec'd 25
List ABCDE

Dated: November 1, 1995

TABLE OF CONTENTS

	<u>Page</u>
SUMMARY	i
I. THE COMMISSION SHOULD DISCOURAGE WAREHOUSING AND HOARDING OF TOLL FREE NUMBERS.....	1
II. A PHASED INTRODUCTION FOR NEW TOLL FREE SERVICE ACCESS CODES SHOULD BE ESTABLISHED.....	4
III. CUSTOMERS WITH 800 VANITY NUMBERS SHOULD NOT BE AUTOMATICALLY ENTITLED TO THE SAME 888 NUMBERS.....	7
IV. OTHER MISCELLANEOUS PROPOSALS	10
A. Toll Free Directory Assistance	10
B. Administration of the Service Management System.....	10
C. Circuit Breaker Model	10
D. Tariffs	11
V. CONCLUSION	12

SUMMARY

In order to prevent warehousing and hoarding of toll free numbers, the Commission should significantly increase the customer record administration fee from its current level of \$.70 per month. If RespOrgs are required to pay a significant amount to reserve a number, they may not be as quick to do so. The Commission should also require RespOrgs and 800 service providers to return any toll free numbers that have no usage over a 12 month period.

NYNEX believes that toll free numbers should continue to be reserved on a first come, first served basis. However, the new 888 toll free numbers should be made available on a gradual basis. This will ensure that the SMS/800 system will be able to handle all 800/888 reservations and maintenance activity.

The Commission should not require the LECs to deliver 888 traffic using the same network architecture as 800 traffic. Each company should be free to deploy network architectures that efficiently and economically utilize its network and resources while at the same time delivering 888 traffic to the service providers with the same functionality as 800 traffic and meeting the service quality standards established for 800 service. The Commission should also give LECs the flexibility to offer pricing adjustments to maintain price parity between 800 and 888 services.

In the Matter of)
) CC Docket No. 95-155
Toll Free Service Access Codes)

The NYNEX Telephone Companies (“NYNEX”)¹ hereby comment on the Commission’s Notice of Proposed Rulemaking (“NPRM”) in the above-captioned matter. The NPRM seeks comments on various proposals that would prevent the rapid depletion of toll free numbers and thus avoid a recurrence of the situation that was recently experienced with 800 numbers.²

In order to ensure that toll free numbers are available for subscribers who need and want them, the Commission proposes to: (1) reduce the amount of time a toll free number can remain in reserved status; (2) reduce the amount of time a toll free number can be assigned but not working; and (3) reduce the six month aging period from disconnect to spare status to four months.

¹ The NYNEX Telephone Companies are New York Telephone Company and New England Telephone and Telegraph Company.

² Beginning early next year, 888 will be used for toll free service. In the future, 877, 866, etc. will be used for toll free service.

provisioning process. Customers frequently reserve a number and then take some time working out the details of how the number will be used. Limiting the amount of time that a number may be reserved will limit customer flexibility while not contributing significantly to the availability of numbers. Reducing the amount of time that a toll free number can be assigned but not working or suspended to four months will impact seasonal customers and others who have a legitimate need to retain a number even though it may have no usage for extended periods of time. Reducing the disconnect aging period to four months may not be enough time to accomplish changes in directory assistance and 800 information.

However, there are several measures that the Commission should consider to help prevent warehousing and hoarding. First, it should significantly increase the customer record administration fee from its current level of \$.70 per month. If RespOrgs are required to pay a significant amount to reserve a number, they may not be as quick to do so.³ Second, the Commission should require RespOrgs and 800 Service Providers to return any toll free numbers that have no usage over a 12 month period.⁴

NYNEX believes that there should be a limit on the number of toll free numbers that a RespOrg may extract from the available pool at one time. The current limit of 15% of a RespOrg's working numbers is excessively high. In addition, the way this limit is calculated should be changed. There is a structural problem with tying the limit directly

³ However, the fee should not be increased to the extent that it will have a negative impact on small RespOrgs with limited resources, or market segments that will not pay a premium for numbers.

⁴ We believe that a 12 month period, rather than a four month period as proposed by the Commission, is necessary to account for seasonal usage. For example, the Jerry Lewis telethon, which is an annual event, should be allowed to retain the same 800 number year after year. NYNEX also believes that these requirements should be contained in the Commission's rules so that penalties can be imposed for non-compliance. The Commission should also periodically audit RespOrgs and 800 Service Providers for compliance.

to the quantity of working numbers. As long as the market for toll free services continues to grow, the number of working toll free numbers will be constantly increasing. For example, when the 888 code is introduced, there will be about 8 million working toll free numbers. When 877 is introduced, there will be about 16 million working numbers. Thus, the amount of numbers that may be reserved is constantly increasing because it is in direct proportion to the amount of working numbers. In contrast, the supply of available toll free numbers is always a decreasing quantity. The result is that the amount of numbers that a RespOrg may reserve is increasing at the same time the supply of numbers is decreasing. This makes no sense. The industry, with the Commission's help, should be able to arrive at a formula that takes into account a RespOrg's market share and growth potential as well as the diminishing supply of numbers.

NYNEX agrees that RespOrgs and 800 services subscribers that engage in warehousing or hoarding should be penalized. The penalty for RespOrgs could be suspension of SMS access privileges for some specified time period. This will both punish RespOrgs and force them to consume their warehoused numbers. 800 subscribers that are found to be hoarding should have their hoarded numbers confiscated.

NYNEX does not support the imposition of certification requirements on RespOrgs. Such requirements would impose a significant burden on the industry and on the Commission. The Commission may, however, consider using such certification as a punitive measure against RespOrgs found to be moving numbers into working status improperly.

The Commission's proposal to encourage the use of Personal Identification Numbers (PINs) with toll free service has some merit. Establishing a toll free number for

multiple customers that have limited usage would provide for some efficiencies in number resource utilization. However, PIN technology impairs number portability. Subscribers that have a toll free number that requires use of a PIN will not be able to switch carriers and retain their number. In addition, the use of PIN numbers with toll free services will require modifications to the SMS/800 system to prevent inadvertent or fraudulent RespOrg changes.

II. A PHASED INTRODUCTION FOR NEW TOLL FREE SERVICE ACCESS CODES SHOULD BE ESTABLISHED

The Commission also seeks comments on what measures it should adopt to effectuate a gradual implementation of new toll free codes. In general, NYNEX believes that toll free numbers should continue to be reserved on a first come, first served basis. However, NYNEX supports a phased introduction of the new codes to avoid a repeat of the 800-555 incident.⁵ Because of the significant pent-up demand for the new 888 numbers, controls need to be placed within the system to insure that number resource utilization does not exceed supply and that the system can process all valid requests.

The maximum capacity of the SMS/800 system is 100,000 transactions per day. This includes all number reservation activity for new codes as well as maintenance and changes to existing 800 numbers. There are two ways to prevent system demand from exceeding capacity -- increase capacity (i.e., the size of the links between the SMS and the SCPs) or control activity. NYNEX believes that increasing the link capacity is neither necessary nor required. Once the initial pent-up demand is satisfied, link transaction activity will return to normal levels and can be accommodated using the

⁵ When 800-555 was made available in 1994, the code was exhausted in less than 10 minutes with more than 90% of the numbers going to a single RespOrg.

existing link capacity. Thus, the more efficient and less costly method of preventing system overload is to control the availability of new 888 numbers until the pent-up demand is satisfied.

As has been demonstrated during the past 6 months, number reservations can be controlled via the SMS/800 system. The current allocation method provides a fixed amount of 800 numbers per RespOrg. The SMS has controls in the software that prevent a RespOrg from exceeding its allocation. NYNEX believes that this type of allocation method should be carried over once the new 888 code is available but with modifications to the current allocation level. NYNEX recommends increasing the level to 3 times the current allocation for a thirty day period after 888 availability. At the end of the thirty day period, the number utilization would be evaluated to determine the industry trend, and a decision would be made to continue or lift the allocation. If it were decided to continue the allocation, it should be reviewed again in 30 days to assess the industry needs. This would give ample opportunity to evaluate the dynamics of number utilization in a controlled environment and make adjustments without concern that the supply of 888 numbers will exhaust prior to the availability of the next toll free number (i.e., 877). Once the allocation is lifted, controls should be put in the SMS/800 to cut off daily reservations at a maximum of 65,000 records per day. Limiting the reservations to 65,000 per day allows for processing of 35,000 other transactions, such as 800 churn activity, and brings the total daily activity to 100,000 transactions, the current system capacity.

The Commission also seeks comment on whether to allow numbers to be reserved 45 days in advance of general availability of the new toll free code, but not allowing

those reservations to change to working status until the availability date or beyond. This issue is being addressed at the Ordering and Billing Forum SMS/800 Number Administration Committee (SNAC) to gain industry consensus on how to handle early reservations and subsequent activation. NYNEX supports this activity and believes that this issue will be resolved to the industry's satisfaction at the SNAC.

Once the 888 code has been successfully introduced, the industry, with FCC participation and support, should develop a plan for the introduction of additional toll free codes. Any such plan should include the processes for monitoring number assignments, conservation measures that may be taken in extraordinary circumstances, notification procedures and the like. If planning is done properly, and there are safeguards against panic stockpiling of numbers, there should be no need for the Commission to mandate an activation time line which may be unnecessarily ambitious and costly. Even if it were technically feasible to deploy a code in 6 months, a larger planning window may be required to ensure network integrity, proper engineering of all network elements, and efficient allocation of resources.

Under the Commission's guidance, the industry should determine a date for the deployment of the next toll free service access code. NYNEX believes that it is not necessary or reasonable for the Commission to mandate a specific date for the industry to be ready to deploy the entire range of toll free access codes. Such a mandate may cause the industry to incur unnecessary expenses.

NYNEX also does not believe that it should be required to deliver 888 traffic using the same network architecture as 800 traffic. The design engineering and provisioning of telecommunications networks is a complex and costly undertaking

impacted by many variables. Each company should be free to deploy network architectures that efficiently and economically utilize its network and resources while at the same time delivering 888 traffic to the service providers with the same functionality as 800 traffic and meeting the service quality standards established for 800 service.⁶

III. CUSTOMERS WITH 800 VANITY NUMBERS SHOULD NOT BE AUTOMATICALLY ENTITLED TO THE SAME 888 NUMBERS

The Commission asks for comments on whether subscribers of 800 vanity numbers should be offered the right of first refusal to receive the equivalent 888 number. NYNEX does not support this proposal.

NYNEX believes that there could be as many as two million requests for the same 800 and 888 vanity numbers. This represents 25% of the total available numbers in each toll free code. Considering that toll free numbers are expected to grow by 2.4 million per year, allowing customers to retain their 800 vanity numbers would mean that the new 888 code would exhaust in 2½ years.

NYNEX believes that there is uniqueness in the full 10 digit number and that 888 numbers should be treated as separate and distinct from 800 numbers. The letters on the dial pad associated with specific numbers may spell more than one word. For example, the letters associated with 800-843-2273, which spells THE CARD, can also be used to spell THE BARD, THE CASE, THE ACRE, and others. A lawyer may want do business under (888) THE CASE; a Shakespearean theater may want to advertise call (888) THE BARD, etc. There is no reason why the holder of an 800 number should be entitled to the

⁶ NYNEX believes it should have the flexibility to offer an “access credit” to mitigate the economic impact that any particular network architecture might have on its toll free service provider customers.

same 888 number. Other customers should have the ability to use the 888 number in a different vanity application.⁷

In addition, allowing a right of first refusal will cause customer confusion. The public may be given the impression that all service providers can be reached by dialing their 800 number or corresponding 888 number, thus resulting in many misdialed calls.

NYNEX does support the proposal to delay the availability of identified “vanity” numbers until a certain percentage of the 888 code is assigned. These new numbers would be made available after the initial implementation of the new code and after the public has been fully educated that 888 and 800 numbers are both free to the caller and represent unique numbers for individual customers. An alternative to this proposal would be to wait a designated amount of time, e.g., 3 months, before the numbers are available for assignment. If either option is adopted, the identified numbers should be put in an unavailable status until released to the general availability pool for assignment. The Commission, however, must take into consideration that some subscribers may be waiting for specific 888 numbers required for their business plans. Delay in making all 888 numbers available at the earliest date could cause financial hardship for these customers.

The Commission also requests comment on whether there should be some protection for the new toll free subscriber who obtains a number that translates to a high volume number in another code. Customers and service providers have expressed

⁷ NYNEX also does not support the Commission’s proposal to assign toll free numbers based on standard industrial classification (SIC) codes. This would be difficult to manage and easily evaded. More importantly, it is not possible to introduce such a plan before introduction of the 888 code. The SIC code would have to be included as a field in the SMS database and would have to become part of the transaction software used by RespOrgs and the SMS. Software for handling the comparison of SICs for each reservation request would have to be written and the SICs of existing 800 subscribers would have to be included in the SMS database prior to assigning the 888 codes.

concern that there may be many misdialed calls when the new code is introduced.

However, no one has been able to estimate the magnitude of this problem. NYNEX believes that customer education prior to the introduction of the new code will minimize misdialed calls.

If misdialed calls becomes a problem for a customer, NYNEX proposes that the new subscriber should have the option to change their 888 number and that the original number that was plagued with high volumes of misdialed calls should be returned to the SMS/800 and put in an unavailable status for a period of time. After an aging process of six months, the number could then be returned to the general pool for reservation and assignment. The number should be permanently marked to indicate high volume misdial potential so that a new RespOrg assigning the number could advise their customer and have the option of rejecting the number. A number that was assigned and returned to the pool for three 6 month aging periods should be made unavailable permanently. This proposal would require SMS/800 software development, but could be managed on manual basis until the system changes could be made.

NYNEX does not support the Commission's proposal to require carriers to provide gateway intercept announcements during the change to a new toll free code. This will have an unknown impact on LEC and interexchange carrier networks, it may have billing and service implications for the 800 subscriber, and would require software development in both the SMS/800 and the SCP which would most likely delay the March 1, 1996 implementation date of the 888 code. NYNEX also does not support apportioning customers to either the 888 code or the 800 code based on the type of toll free service that they use. This could require a massive transfer of customers from 800 to 888.

IV. OTHER MISCELLANEOUS PROPOSALS

A. Toll Free Directory Assistance

NYNEX supports the Commission's proposal to not assign 888-555-1212 for toll free directory assistance (DA) until the toll free DA issues have been resolved. In addition, NYNEX also proposes to reserve 555-1212 in all future toll free codes for the provisioning of DA service. This will minimize customer confusion in their attempts to access toll free DA service.

B. Administration of the Service Management System

The administration of the SMS/800 was fully explored in Docket 86-10. This lengthy proceeding explored all issues concerning the provisioning and management of 800 number portability. After extensive and thoughtful consideration, the Commission ordered the BOCs to tariff the service and to establish an independent provider for the number administration service center. There is no need for the Commission to revisit these issues again.

C. Circuit Breaker Model

NYNEX believes that the Circuit Breaker models proposed by the Commission will be cumbersome to administer and expensive to implement. Nor do we believe that, at this time, such elaborate safeguards are needed. It has already been demonstrated that limits can be imposed on the quantity of toll free numbers that are reserved. The administrator of the number reservation system should be able to monitor reservation activity, on a daily basis if necessary, and should be authorized to take action as required to safeguard the supply of toll free numbers.

D. Tariffs

Since 888 service is an expansion of 800 service that provides no new features or functions, NYNEX supports the Commission's proposal to treat 888 service as functionally the same as 800 service in all respects. A Part 69 waiver should not be required. Exogenous treatment should be allowed for the incremental costs incurred specifically for the implementation of new toll free numbers, as was the case for 800 service. Activating the 888 code and future codes in the network is not a trivial or inexpensive undertaking. Furthermore, long distance carriers, not the LECs, are the major benefactors. Although NYNEX is compensated through revenues derived from increased usage of its network, number utilization growth far exceeds usage growth for which NYNEX receives no revenues.

With respect to the proposed 45 day interval for filing tariffs, NYNEX believes that this can be accomplished provided the Commission renders its decision in this docket on a timely basis. With 888 service scheduled to begin in March 1996, the Commission will have to act very quickly.

The Commission should also give LECs the flexibility to offer pricing adjustments in connection with tandem deployment of 888 services to maintain price parity between 800 and 888 services. NYNEX is initially planning to provide 888 service at its access tandem switches using Intelligent Network (IN) software. NYNEX eventually plans to provide 888 service at all its end offices and tandems using the Advanced Intelligent Network (AIN) software. As AIN is deployed at the end office, carriers will be able to migrate their 888 traffic from tandem routing to end office routing. In the interim, NYNEX should have the flexibility to offer carriers that use direct

trunking for 800 service a credit on their access charges for 888 traffic that is tandem routed.

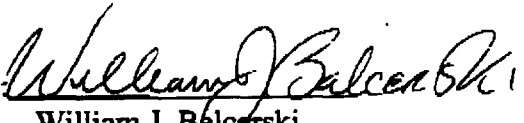
NYNEX believes that this interim transition plan will not financially harm carriers and will allow NYNEX to avoid the unnecessary expenditure of nearly \$10 million to provide direct end office routing through Intelligent Network (IN) software that will quickly become obsolete as AIN is deployed.

V. **CONCLUSION**

The Commission should take the steps recommended herein to prevent the depletion of toll free numbers in the future.

Respectfully submitted,

NYNEX Telephone Companies

By 
William J. Balcerski

1111 Westchester Avenue
White Plains, NY 10604
914-644-6207

Their Attorney

Dated: November 1, 1995
95-155.doc